

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INBOUND PARCEL POST (AT UPU RATES)

Docket No. MC2017-58

COMPETITIVE PRODUCT PRICES
INBOUND PARCEL POST (AT UPU RATES)

Docket No. CP2017-86

NOTICE OF SUPPLEMENTAL FINANCIAL SUPPORT
(December 27, 2016)

On December 19, 2016, the United States Postal Service (Postal Service) filed a “Notice of the United States Postal Service of Filing Changes in Rates Not of General Applicability for Inbound Parcel Post (at UPU Rates), Change in Mail Classification Schedule, and Application for Non-public Treatment” in the above-captioned dockets. With that filing, the Postal Service submitted various supporting materials, including, among other things, supporting financial documentation (in the form of Excel spreadsheets). With the instant Notice, the Postal Service files supplemental financial support for its Notice dated December 19, as expressly anticipated on page 4 of that Notice. These supplemental financial data incorporate possible air parcel flows from certain countries voluntarily opting to send items to the United States under the UPU’s ECOMPRO delivery regulations.¹

Redacted Excel versions of this supplemental financial documentation accompany this filing, and unredacted copies are being filed under seal. The Postal

¹ The SDR conversion rate to U.S. dollars used for the new ECOMPRO flow data was 1 SDR is equal to \$1.34 USD, based on the publication of the SDR value by the International Monetary Fund (IMF) on December 22, 2016.

Service incorporates by reference the original application for non-public treatment filed with its Notice dated December 19 in these dockets for the protection of these materials. The Postal Service also attaches as Attachment 1 to today's Notice a new certification pursuant to 39 C.F.R. § 3015.5(c)(2) that pertains to today's supplemental financial information.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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December 27, 2016

Certification of Prices for Inbound Parcel Post (at UPU Rates)

I, Virginia Mayes, Manager of Cost Attribution, Finance Department, United States Postal Service, am familiar with the prices for Inbound Parcel Post (at UPU Rates). The prices were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Inbound Air Parcel Post at UPU Rates, issued November 16, 2009 (Governors' Decision No. 09-15) and the Decision of the Governors of the United States Postal Service on Changes in Rates and Classes for Inbound Surface Parcel Post (at UPU Rates), issued June 18, 2014 (Governors' Decision No. 14-04).

I hereby certify that the numerical cost values underlying the prices for Inbound Parcel Post (at UPU Rates) are the appropriate costs to use in the formulae and represent the best available information. The prices demonstrate that Inbound Parcel Post (at UPU Rates) should cover its attributable costs and preclude the subsidization of competitive products by market-dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Inbound Parcel Post (at UPU Rates) should be even smaller. Inbound Parcel Post (at UPU Rates) should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Virginia Mayes

12/27/16

Date